



## Communities and Local Government Committee

### Oral evidence: The Government's Cities and Local Government Devolution Bill, HC 369

Monday 23 November 2015

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#### Watch the session

#### **Evidence from witnesses:**

Members present: Mr Clive Betts (Chair); Bob Blackman; Jo Cox; Helen Hayes; Kevin Hollinrake; Julian Knight; David Mackintosh; Mr Mark Prisk; Mary Robinson; Alison Thewliss.

#### **Questions 158 – 212**

*Witnesses:* **Lord Kerslake**, Chair, Centre for Public Scrutiny, **Ed Cox**, Director, Institute for Public Policy Research (North), and **Councillor Sue Jeffrey**, Chair, Shadow Tees Valley Combined Authority, gave evidence.

**Chair:** Good afternoon and welcome, everyone, to this evidence session of our inquiry into the Cities and Local Government Devolution Bill. You are all very welcome, thank you for coming. Before we go into taking evidence, can I ask members of the Committee who have them to put on record any interests that may be relevant to this inquiry? I am a vice president of the Local Government Association.

**Helen Hayes:** I will put on record that I am a councillor in the London Borough of Southwark and I employ a councillor in my parliamentary team.

**Mr Prisk:** I will put on record, though it is probably known in the public domain, that I was a Minister while Lord Kerslake was the

Permanent Secretary at the time in the Department—just to clarify that.

**Julian Knight:** I would also like to add that my office manager has recently been elected a local councillor.

**Q158 Chair:** Thank you for that. The next stage is to say, witnesses, could you just say who you are and the organisation you are representing today?

**Councillor Jeffrey:** I am Councillor Sue Jeffrey. I am Leader of Redcar and Cleveland Council and I am also Chair of the Shadow Tees Valley Combined Authority.

**Lord Kerslake:** I am Bob Kerslake. I am the Chair of the Centre for Public Scrutiny and President of the Local Government Association.

**Ed Cox:** I am Ed Cox. I am Director of IPPR (North).

**Q159 Chair:** Clearly, things have been moving very rapidly on the devolution front in recent weeks, with lots of discussions and negotiations between council leaders and Ministers, but, if I went out on the streets of Sheffield today and asked people what they thought about devolution, one or two might talk about Scotland and the referendum or whatever, but very few would probably immediately connect with what they thought was going to happen in the Sheffield city region in a few months' time. Is that just an inevitable fact of how devolution is being done at present or is it possible to get more public interest, involvement, understanding and engagement in what is happening?

**Councillor Jeffrey:** From my perspective, if you talk about devolution as devolution, that is quite difficult, but, if you talk about local authorities working together to deliver improvements for their area, then certainly in the Tees Valley we have had a long history of doing just that. The devolution deal is very much about how we bring additional powers to ourselves in that partnership anyway, and people recognise that where we can bring additional powers, that is helpful. While the public may not like devolution per se or understand devolution per se, they do understand working together and they do understand bringing powers down from Whitehall.

We have had some quite interesting debates in our local authority about it and how it might work and, indeed, in agreeing the devolution deal that we have. Those debates have been made pretty public and pretty well exercised in the local press, radio and, indeed, with

constituents and things, so I think it is known. There was a poll recently as well, done by the BBC in the north, which had some questions about how well devolution was known, and the results were quite surprising. There was probably more knowledge about it than perhaps we might have thought.

**Ed Cox:** That is absolutely critical. The BBC poll showed that 82% of people—I think it was just the north of England that was polled—felt that the balance of power between central Government and local government was not correct and therefore England needed devolution. That reflects exactly a poll that IPPR, together with a number of universities, undertook last year. Exactly the same statistic, in fact, was derived from a national poll.

The issue is that we confuse people's desire for devolution with their confusion as to exactly the form that devolution should take. Here, this is what the Government have been trying to balance with the Bill, which is to generate a sense of momentum into the process in order to get deals done and to drive devolution down, knowing that this is quite a difficult business, while at the same time considering the fact that the public in the long term will need to be part of it. I am not sure they have got the balance correct at the present time. I am concerned that, at the moment, the enthusiasm momentum is outweighing the public engagement, but I can say more about that later.

**Lord Kerlake:** Just to add to what Ed has said, people do generally desire to see power brought to a more local level. That is both from Government to local government and from local government to neighbourhoods, and that has been true for quite a long time. That is very different from them understanding the nature of the deals that are being done now and what comes with that.

The BBC also did a poll of how many people knew what the Northern Powerhouse was and at least one person confused it with their local electricity board round the corner, so there is a massive lack of awareness of that. Of course it will grow, but there are risks in moving ahead without taking active steps and some places, to their credit, have tried to do this before they went into the negotiations. Bristol had a number of hearings to which they invited the public to say, "What would you want to see come forward in any devolution deals?", but I do not think it will happen naturally. It is going to need active effort to inform the public and engage them in the process.

**Ed Cox:** Sheffield has been involved in a very interesting experiment—you mentioned Sheffield—over the past couple of months

about the devolution deal, where they have brought a representative citizens' panel together to discuss it. It has generated some quite interesting results and, through being better informed about the process, a huge enthusiasm on the part of that citizens' panel as to the kind of powers that they want to see going forward.

**Councillor Jeffrey:** Just very quickly, calling it devolution is one thing, and that puts people off; there is no doubt about that. It goes back to the earlier point I made that people are interested in seeing a difference in the way things are done and understanding that their local authorities working together are able to do more to influence, in our instance, the economy of the Tees Valley. It is those practical things that people engage with, rather than broader conversations about whether we do or do not like devolution. It is about what can be done and what difference can be made.

**Q160 Chair:** Did you consult your electorate, then, before you signed up to the deal?

**Councillor Jeffrey:** No. We are only just becoming a combined authority. The consultation on the combined authority happened in the run-up to May, so there was some public consultation at that point, including an online survey and a number of other arrangements. But the devolution deal, which happened post-May, happened very quickly, I have to say, as the Cities and Local Government Bill was introduced. We were approached very quickly by James Wharton and co. to have a conversation about how the Tees Valley might like to move towards devolution, and we certainly saw it as being advantageous for us to get into that conversation quickly and to get on with that conversation.

Because we are focused entirely on economic development and growth, we felt that the public of the Tees Valley are already aware of our collaboration in the development of those sorts of strategies, so this was an extension of that in many instances. We had had the consultation on the combined authority anyway, so we have not had a formal consultation, no.

**Q161 Chair:** Do you think there should be some guidelines set out for what consultation happens, or should we be looking at best practice? Some areas are beginning to get it right; should that be disseminated in some way? In which case, who should be doing it? It seems that every one of these deals is almost in a compartment and is being done separately from any overall look.

**Lord Kerslake:** There are two different points here. There is the process of coming to the deal, where you might have some guidance as to how it is done, but we have to be realistic about the extent to which that is going to engage the public as it moves along, not least of which because it is a negotiation and it is a deal. If you were to be publicising every stage in that negotiation, it would be very hard to make the process work, so there are limits to the ability to have a consistent model during the deal-making process. It is a consequence of doing it through a deal-making process.

Having done the deal, though, I do think there is a case for having not a one size fits all, but an expectation that combined authorities and mayors consciously establish an accountability framework to identify how there is going to be openness and transparency.

**Q162 Chair:** We may come on to that, but what I would like to ask, before we move on to other colleagues, is whether that should involve, in the first instance, a referendum to say to local people, "Do you agree with what we have done?" I think Durham County is going to do that, is it not?

**Councillor Jeffrey:** Durham County is talking about doing a referendum, yes. Each of the five local authorities in the Tees Valley, once the deal was signed, had to take it back to their local authority for approval. In my instance, I am leader of a minority administration, so I had not just to get it through the normal processes, but to convince an awful lot of people, including independents, that this was a good deal. We had a separate council meeting, as all the councils had, to have that full discussion and debate. In our case, there were two hours of debate about whether or not this was going to be a good deal for us and whether or not we should proceed with it. Any single one of those councils could have rejected that deal. None of us have done, but we could have done, should we have chosen to.

In terms of democratic involvement in the approval process, it was not just a case of us five leaders sitting in a room and deciding among ourselves and then signing on the dotted line. We had to take it back to our individual authorities and we had to account for ourselves there and convince them of the rightness of the deal.

**Q163 Chair:** You are not going to put your part of the deal to a referendum.

**Councillor Jeffrey:** No, we are not going to.

**Q164 Chair:** Why?

**Councillor Jeffrey:** Because we believe that we have taken it through the democratic process by taking it back to each of the individual councils. Also, at the end of the day, we are talking about the extension of economic development powers that we feel are absolutely essential in the Tees Valley, particularly given some of the difficulties we have been encountering around SSI and those other things. We genuinely believe that the deal we have in front of us will enable us to exercise those powers better. I do not think a referendum would add anything to that.

**Q165 Chair:** It will look very strange, though. Are your constituents not going to say to you, "People in Durham County are getting a vote and we are not. Why are we being disadvantaged"?

**Councillor Jeffrey:** It is going to be much stranger for the people in Northumberland who are not getting a vote, who are part of the same combined authority.

**Ed Cox:** I would simply throw the question back. When central Government strike deals, they do not put everything to a referendum, so why should it be that local government needs to put everything to a referendum as well? There is a risk in having a relatively abstract conversation here.

One of the biggest risks to the existing deal-making process, and I speak as a Manchester resident, is that it looks as if there is quite a lot of what I would call elite-to-elite passing of power with the way in which things are currently operating. I would concur with Lord Kerslake here that that is an acceptable process to the point of making a deal, but after that point there should be quite a lot of attention paid to the way in which combined authorities, interim mayors and ultimately mayors engage with the public about the content of their deals. That is where the push needs to be and I do not think national guidance is going to be particularly helpful in that regard.

**Q166 Mr Prisk:** Following on that point, given that for most members of the public the delivery of the services is what they will judge their local governments by, is it not the case that perhaps there is a better argument for that review of a deal to happen three or four years later when the public have had a chance to see the reorganisation, see what it means on the ground and then have their say on the outcome?

**Councillor Jeffrey:** We should be accounting for delivery of the deal on an ongoing basis. You need to remember that the deal we have negotiated so far is very much headlines; it does not have a lot of substance behind it. Over the next year, because we do not elect the mayor until 2017, there will be a whole arrangement of negotiation, putting the substance behind that deal. That is where there is going to be much more visibility of what it is we are proposing to do and what it is we are proposing to deliver. Within that, there will be accountability arrangements built in to ensure that, on an annual basis, we are delivering what we say we are going to do and we are doing what we anticipate as a result of the deal arrangements.

Equally as important as holding us to account in all this is going to be holding Government to account, to ensure that the headlines they have given us so far have some substance behind them. One of the difficulties I can anticipate going forward is that we will not see that substance or get that substance as easily as we might think that we will. Having that public and very visible accountability for the ongoing process of negotiation to establish what the whole deal is going to look like will be very important going forward, and accountability will be important within that.

**Lord Kerslake:** I think the public are interested in whether you improve economic wellbeing as well as services. I think they do recognise that both are valuable from this. The question there has always been about mayors is to what extent and through what means you should give the public an ability to revisit the question about mayors in their area. As you know, there has been a lot of debate about this, and the point applies as much to metro mayors as it does to existing mayors.

**Ed Cox:** I think there will be a de facto judgment on the devolution process, including mayors, and that will be the election of the 2017 mayors. That will be a moment in time when a number of city regions will look at both the devolution process and the way in which it has played out in the 18 months to a couple of years up to May 2017, and also the mayor as a democratic option. We talk a lot about the economic and public service dimensions. I think the public are genuinely interested in the democratic dimensions of devolution as well, so they will also be having a say at that point, probably in turnout figures more than anything else, as to how they feel the process has been emerging.

**Q167 Mary Robinson:** Councillor Jeffrey, you said that, when you got into the conversation, it all happened quite quickly. What was your experience, then, of negotiating that deal? It sounds like it was quite rapid.

**Councillor Jeffrey:** It was quite quick. There were basically a number of stages that we went through. We created an outline plan to start with and then had a conversation with James Wharton and Greg Clark in the first instance. From that, we were sent away to go and work it up in more detail. During that working up, officers have been having the conversations with BIS, CLG and other civil servants in terms of what could go into the plan. We were very much of a view that we had certain things we wanted to do: this concentration on economic development, on skills, on inward investment and on transport. Those were our big things, so getting those headlines into the deal was really important for us.

I suppose it is wrong to say we came across difficulties, but it was not easy to get in new stuff, so anything that had not been in other deals was very difficult to do. We talk about having a bespoke deal for the Tees Valley, but just how bespoke it is at the end of the day I do not know, because our deal includes a lot of things that have already been in other places. Indeed, that was something that came back to us: has another area done it? Has it been done elsewhere?

**Q168 Mary Robinson:** Why was that particularly difficult?

**Councillor Jeffrey:** We were very much of a view that we need a bespoke deal for the Tees Valley. We need something that suits us, because that is what devolution is, is it not? It is about devolving those powers that we will be able to use most effectively to improve, in our instance, the economy of the Tees Valley. Therefore, we had some very specific things that we wanted to do. For example, 16-to-18 further education was a key area. It was very difficult to get any devolution of that. Culture is another big area where we feel we could build the cultural base of the Tees Valley, but it is very difficult to wrestle Arts Council funding from the Arts Council. There are a number of areas where it has been difficult. We have headlines within the deal now, but it is how we go away and negotiate what is underneath those headlines.

One other thing we found quite difficult was the various deadlines that were given at different times. At one stage, it was, "Can you do it by here?" and then, "Can you do it by the time of the Tory party conference?" and then, "Can you do it by the time of the comprehensive spending review?" There were a number of enforced



deadlines, which put extra pressures on that perhaps would not have been there otherwise, but at the end of the day we did as well as we could. I am pleased with what we have as a framework. It is the substance sitting behind it that will be the proof of the pudding.

**Q169 Mary Robinson:** Do you feel you will be going back and trying to build on that?

**Councillor Jeffrey:** Very definitely, yes. The Tees Valley deal is different in a number of ways. First of all, we are such a small area that is covered, only just over 600,000 people, but also we are not touching blue light services, social services, health or any of these other big areas that could be quite difficult. We are concentrating solely on our economy. For all the obvious reasons, we think it is right to do that at this time, but who knows what the future holds?

**Q170 Mary Robinson:** Looking back, it sounds like you had the deadlines to march on to and you had to do it quite quickly. In terms of the openness of it, do you think there was anything you could have done during that time that would have made the process more open?

**Councillor Jeffrey:** That is a really difficult one. You would think, if you were negotiating lots of deals in lots of different places, that everybody should be talking to each other, trying to get the best for everybody and understanding where progress has been made and where it has not. But it has to be a bit secret, just in case we might talk about something that is not delivered at the end of the day, so there was that element of secrecy around it. If we are talking about devolution of powers, what is right, what is good and what is helpful for the Tees Valley, that should be an open discussion and the secrecy probably was unhelpful. But we are at the beginning of this process and what will happen when BIS, if it still exists, has to negotiate lots of future deals remains to be seen. Just the quantity will make it more difficult.

**Q171 Mary Robinson:** Ed Cox, you suggest having a framework for negotiations around the deal-making process and we have just heard how the deal-making process can work. How would a framework work?

**Ed Cox:** It is important to distinguish between three aspects of devolution. The first is the principles for devolution. The second is the process by which the deals and the devolution process take place. The third is the final outcome—the deal itself. The Government have deliberately confused those three things, sometimes for particular purposes. I do not think anybody would disagree with the idea that

Oral evidence: The Government's Cities and Local Government Devolution Bill, HC

having very diverse, asymmetrical outcomes is absolutely right, and Sue has explained very well why that is important for Tees Valley. I think, though, that the process would be helped if there were some clear principles, and this would be part of the framework that I describe.

We have set out a series of principles in our own publications to be clear about the kind of outcome we want to achieve through devolution, and to recognise, for example, the economic, public service and democratic dimensions of it. There could be other principles. A very clear example from the work we have been doing with county councils over the past six months is that Government seem unclear about the relationship between economic development and public service delivery, and how they want to play those two things together. They are both important, but the relationship often causes tensions in negotiating deals with particular places.

It is the process where there could also be things like clear milestones and a timetable as to how negotiations are going to be developed across departmental teams. The big problem we have seen in the deal-making process at the moment is that local authorities are expected to have bilateral conversations with lots of different Departments. Some Departments then renege when they hear what other Departments are doing. The Treasury holds the final veto on virtually anything that might have taken a long time to decide. Having some kind of timetable and having a cross-departmental team with which you can have a single conversation, local authorities have said is really important, as is having some good practice sharing. We have heard already about the importance of not having too much secrecy so that local authorities can learn from one another.

The last thing I would say is around devolution packages. It is becoming clearer and clearer as more devolution deals are being struck that there are some core elements to devolution deals now. There are some similarities between places and I just wonder to what extent it might be helpful to have some kind of loose core settlement, basic framework or whatever you want to call it about the key elements you might want to have. It would avoid the accusations of there being unwritten rules, because it is clear that civil servants are working to a formula of, "If you want this, you have to have this kind of governance arrangement. If you want that, you have to have a mayor". All of these unwritten rules could be made slightly more explicit without doing away with the possibility of ultimately having a bespoke deal.

**Q172 Mary Robinson:** Could you see a possibility, if there was a framework put in place—loose though it may be, but together with guiding principles—that that framework would hamper the kind of bespoke deal that we have seen being arranged?

**Ed Cox:** What I am saying is that there is a framework in place already, but it is only being held by the civil servants and the Ministers at the present time. Of course, that will be denied, but we really need to see that being a little more open. By making that slightly more open, it provides a more mature basis for the kind of deal making that we need to see.

**Lord Kerlake:** I have a few quick points, to build on what Ed has said. When you are doing one deal, clearly it is bespoke. When you move to six, you can just about imagine it being. When you might be on 30, it is a different kettle of fish altogether, so you are bound to need some form of framework and some form of consistency of approach.

Deals were intended to punch through the resistance in government to devolution, so by doing it as a deal-based approach you stop the problem that previously bedevilled devolution, which was, unless everybody did it the same way, it was not going to happen. The risk of a formulaic or framework approach is that you get to a lowest common denominator. That was sort of what happened with previous conversations about core deals, where, when they were written up, they were so weak as to never fit the need. We are going to need some consistency and framework, but we must not lose the opportunity, as Sue said, to push forward on a specific issue in a specific place further than anybody else has gone. Otherwise it is not really a deal, is it? That is the point.

**Q173 Jo Cox:** I have a follow-up question on that, before I come on to mayors. Do any of you think that the quality of the outcome has been negatively affected by the level of transparency in the process of negotiation?

**Councillor Jeffrey:** What, it would have been better if it had been more public?

**Jo Cox:** Do you think it would have been better if it had been more public?

**Councillor Jeffrey:** I do not know. If you had seen what everybody else had got, would it have prompted you to negotiate harder on certain things? Possibly, but fundamentally I do not think it

has affected our deal, because we knew what we wanted as an area. As a region, the Tees Valley was very clear about the powers it wanted and how it wanted them to be devolved. In many ways, it would have been a distraction if we had started looking at everybody else and thinking, "They have this and we have that." It may well have taken us off down routes we do not want to go down so, in many ways, it is good that we had the focus that we have had.

What comes now is the negotiation of the detail behind, and we have the substance of all those other deals to help us in that negotiation, so it will be very difficult for Whitehall not to give us, for example, the powers we might want in a particular area if another area has them. There is still time for that to happen and for us to use those other deals.

**Ed Cox:** In very practical terms, as far as I understand, the only deal that was made public and transparent before being properly negotiated was that of West Yorkshire, and West Yorkshire is the most obvious example of a deal that has yet to be concluded ahead of the spending review.

**Lord Kerlake:** To pick on a point that has just been made, the deals do not need to be the final say. This is a really important point for me. They should be a starting point for further negotiation on further devolution. This should be a dynamic process where you do one deal and then you say, "How can we go further?" I absolutely like the idea. This goes back to my point about punching through in one area and then using that as the basis for everywhere moving upwards and onwards.

**Q174 Jo Cox:** Do you think that is how the Treasury and DCLG are interpreting this, as a start?

**Lord Kerlake:** They probably are not, if I am entirely honest. Let us be clear about this. Devolution is a disruptive process to Government Departments. I can vividly remember one Permanent Secretary saying to me that he was quite comfortable with deal making as long as it did not disrupt any of his existing programmes, so it will be resisted; let us be frank about it. We just have to be honest. The good thing about the current round of devolution is that it does have two powerful and effective champions in the Chancellor and Greg Clark. I think they would definitely see it that way, even if the Departments would hope that this is the end of the matter. I do not think it is.

**Q175 Jo Cox:** Moving on to elected mayors, the public are going to look at elected mayors as being responsible for the leadership of the city across a range of different issues, yet they will not be responsible for quite a lot of things that happen in city-wide areas. Do you think that is feasible and how is that going to work?

**Lord Kerslake:** Of course, it is the position in London, and I think most people would argue that the mayor has brought something additional to the accountability and visibility of elected government in London. Clearly, the mayor does not cover all aspects of local public service delivery. Just as it has worked in London, I cannot see why it could not work in other parts of the country.

**Councillor Jeffrey:** We have been very clear in selling the deal that this is about devolution of powers from central Government—from Whitehall—down to the Tees Valley, not up from local government, and very clear that the powers that will be exercised by the mayor, in conjunction with the Tees Valley leaders, will be powers that are not normal local government. The mayor is not going to be responsible for emptying your bins or sorting out your roads or housing problems. It is a different set of things that they are going to do, and keeping that difference is going to be quite important going forward.

I do not think people are going to confuse things. As local authority leaders, we are going to remain accountable within our local authorities for the delivery of our services, and it is perfectly clear that it will be the mayor plus the leaders working collectively who are going to be accountable for their very different functions at the city region level. It is about keeping that difference between the functions of the two organisations. That is certainly the case for us, to start with. Whether it will be like that further on, when you start getting into some of these other areas, will be interesting to see.

**Ed Cox:** We need to be clear that there has been a compromise around political narratives on directly elected mayors, with the Chancellor being able to say, "Look, I have five or six"—however many it is now—"directly elected mayors in cities, so I am winning," and local authority leaders in combined authorities being able to say, "Yes, but we have managed to negotiate the weakest form of directly elected mayor that you could possibly dream of." In Manchester's case, we call it a "barely mayor" because of the limitations on the powers that the mayor will ultimately have, and we need to be very cognisant of that.

Having said that, it is not that these new mayors are going to have insignificant powers. On the contrary, they will have important powers, but I think Lord Kerslake's point is the most significant, which

is to say that the visibility of the mayor will necessarily accrue a range of what you might call soft powers. That is where they will start to champion a place and a city region, and it will be very difficult, then, for local authority leaders to hold them to account publicly in quite the way in which I think they imagine they will as things currently stand.

It will play out in very different ways, and the general public will have a very big say in this. Again, voter turnout at those May 2017 elections will be absolutely critical, and it is in the interests of both national and local politicians to really do their best now to achieve a very high turnout. There is a risk that local authority leaders will damn directly elected mayors with faint praise, and hope for a low turnout and that somehow things will go back to the status quo. There is a real risk in that, for broader democratic reasons rather than for local decision-making reasons.

**Councillor Jeffrey:** As a local authority leader, I do not think that is the scenario that I see playing out at all, I have to say straight away. The question about whether you want a mayor or whether you want a deal was the option we had on the table in front of us. We accepted the mayor because that was the way we got the deal. Devolution, as far as I am concerned, is a good thing for the Tees Valley, and the mayor comes as part of that.

We are also very clear that the governance arrangements we are going to negotiate, which will include the mayor, mean the mayor working alongside the local authority leaders as part of a team that is responsible collectively for the delivery of the powers and the delivery of what comes from the devolution deal. It is on that basis that we want to go forward with the mayor. I absolutely agree with Ed that we do not want the public not to get engaged with this process. It is really important that they do, but we want to see this mayor as part of the team, not as a separate individual doing something separately on their own. It has to be a collective that is working together for the good of the area.

**Lord Kerslake:** That is how many would want to see it in the councils. How it plays out in practice will depend on who gets elected as mayor and how things develop. I suppose the point to make here is that the London Mayor does not have huge powers and responsibilities. Most of the service delivery, of course, is with the London boroughs, but it has not stopped it becoming a very visible role. That said, London mayors, and certainly Boris, have made it part of their mayoralty that they have worked hand in glove with the boroughs, so the two things are not necessarily in contradiction. But it would be

unwise to assume that directly elected mayors will simply be quasi leaders. They could well establish a profile and a position that is well beyond that.

**Q176 Mr Prisk:** Just following on from that and looking at non-metropolitan areas, we have had a number of representations from outside the city regions, not least from Cornwall. In what circumstances would each of you anticipate that, in a non-metropolitan area, the mayor works and works well?

**Ed Cox:** We have published a report on this issue. Broadly speaking, we do not see the kind of directly elected mayor that we are talking about for cities applies particularly well in county areas. We have set out in our report situations where we think directly elected mayors work, but it is worth just looking at the international evidence, because it is regularly cited that all these big cities around the world have directly elected mayors. We looked at 15 that have come up in the Chancellor's speeches and in other speeches and, in actual fact, only about four out of those 15 are genuinely directly elected mayors; most of them are not.

Putting that on one side, in non-metropolitan areas, we have said that they work well where there is a single urban centre, where there is a clear sense of cultural and political identity within the geography that is being governed, where there is no obvious duplication of existing arrangements and where there is a clear devolution of fiscal powers. In those situations, there is a very clear case for a directly elected mayor.

That does not pertain in most non-metropolitan areas, where you have multiple centres of economic activity. Very often, if we are talking about places like Derbyshire and Nottinghamshire, you have a very weak single identity or multiple identities, modest powers being offered and already quite complex arrangements. In those circumstances, it is not necessarily ideal to have a metro mayor. In Cornwall, though, as you have just mentioned, we have advocated that there could be something like a county mayor. That might well work where it is a single unitary authority or, indeed, where there is a single county with two tiers. In those kinds of situations, there is the possibility of that happening, though I understand the Government are trying to make counties work on a broader geographical basis than that in most instances, in which case it falls down.

**Lord Kerslake:** I am a supporter of directly elected mayors, but I believe that devolution should not just be about cities and it should not just be about mayors. We need a broader approach that takes the

realities of a local area. I worry that, in the rush to say, "We must have our deal," some places will be pushed into deals that really are not going to work and move them backwards rather than forwards. I absolutely get that the Chancellor wanted to move ahead on mayors and that they were likely to be the early adopters, if you like, of more devolution, but, over time, I hope there can be more flexibility in the model. Otherwise we risk setting up governance structures that are simply not appropriate to the places.

**Ed Cox:** This is where the unwritten rules come in, because, essentially, counties are being refused certain aspects of devolution on the basis that they will not have mayors. It seems to me that there is not then a mature conversation: "We are not offering a mayor, but look at the very creative ideas that we have." For example, a federated model is what Derbyshire and Nottinghamshire were putting forward. You can say, "Look at this very interesting model that we are suggesting would work in our area," but then there is a very clear line: "We are sorry. We cannot give you this level of powers because you are, very simply, not having a directly elected mayor."

**Councillor Jeffrey:** If you look at the Tees Valley, we are a multi-centre area. We do not have a big city in the middle of us or whatever. When I describe the more collegiate model that will develop with our mayor, that is why I think that is appropriate for us. It is going to be horses for courses; it is going to be what works most effectively. Our governance arrangements are very clear that our mayor will sit alongside the five elected leaders and we will do business together. That is the way we will develop that model. That is not the traditional model as you have in London or wherever else. It is a completely different way of doing things.

It is up to us, in the combined authorities, to work within the constraints that the Government have put on us that have said, "You have to have an elected mayor", but to make that elected mayor work in a way that is right for us, and I have confidence that we can do that. I do not think necessarily that somebody is going to come in, be elected and assume a particular function. It is going to be up to us collectively to decide how that works.

**Q177 Mr Prisk:** In that context, you said earlier that the mayor was part of the package, so you did it. For you, the elected mayor in Tees is a price worth having.

**Councillor Jeffrey:** It is a price we are having to have, so we will make it work. That is the point. It is pragmatic. It is saying if we



are going to have to use this additional bit of accountability in the system, let us make it work to our advantage; let us make it work for us. That is very much the approach of a lot of local authorities within these deals. Everything is really hard for us at the moment. We have a comprehensive spending review that is going to be really difficult. We have to take what is on offer and do what we can with it.

**Q178 Mr Prisk:** Very briefly in that area, and perhaps a short answer would be good, are you confident or not that the scrutiny arrangements relating to PCCs work in the context here, especially given that there is an overlap, or indeed a gap in some cases, between the nature of the boundaries of the area? Are you confident that the scrutiny arrangements are appropriate?

**Councillor Jeffrey:** We will have different ones. Our PCC boundaries are not coterminous, so we will establish a different scrutiny arrangement. We will use some sort of combination of representatives from each of the local authorities to form a scrutiny body. We do it already for health, for example, and do it quite successfully, so that is what we will do.

**Mr Prisk:** I do not know whether Lord Kerlake or Mr Cox want to comment on the issue of the PCCs.

**Lord Kerlake:** Personally, I have not been involved in the scrutiny arrangements, so I will not comment on that.

**Ed Cox:** Not specifically, although I think the area of overview and scrutiny of the whole process is definitely worth some further exploration.

**Q179 Helen Hayes:** I wanted to push you a little more on this issue of making a mayor work in your context. It sounds to me as if you are quite clear that having a mayor is a price that you are happy to pay because it gives you the devolution that you would like to have. But it was not clear to me that you have a clear vision for how it will work and I just wondered if you could articulate that a little more.

**Councillor Jeffrey:** First of all, I would not say I was happy that I was having a mayor. I have taken a pragmatic view that a mayor comes with the deal and therefore we will work within that context. How it will work, as I understand it, is that the mayor will chair the combined authority, which is made up of the five local authority leaders, but we will have six votes and we will work on the basis of majority votes. That will be the way that it will work.

Oral evidence: The Government's Cities and Local Government Devolution Bill, HC

There may be some more detail behind that to sort out, which we have not got to yet, but I am certainly of the view that, if we are able to have that majority working, it gives us the context and the atmosphere in which to do the sort of collegiate business that I am talking about. That is going to be really important, because it is difficult enough to get five leaders to sit round a table and to agree with each other, never mind five leaders and a mayor. It is how you develop that atmosphere and how you make the right sort of arrangement to enable everybody to feel like they are able to participate in the decision making. As I understand it, six people, six votes, we will collectively come to our decisions.

**Q180 Helen Hayes:** Do you think the mayor of Tees Valley is a figurehead that your electorate will relate to very easily?

**Councillor Jeffrey:** One of the things people say about the Tees Valley is, "Who do you pick the phone up and talk to if you want to do business with the Tees Valley?" That is what we have missing at the moment. That is what we need to put in place in relation to inward investment, economic development and skills—all those sorts of things—so, yes, they will be a figurehead in that respect. Beyond that, I do not know. It will depend on how much it captures the public's imagination and becomes an issue for the public in the more general sense, as, for example, the London Mayor has, and how much that does not happen. Either way, it will take time for that to develop, and we have the chance, as I say, to make it work in this more collective fashion.

**Q181 Kevin Hollinrake:** Mr Cox, on this thing about non-metropolitan areas, many of which might feel left behind by this push towards a metro mayor, how do you ensure that they are properly represented when they feel they are in a symbiotic relationship with that metropolitan area?

**Ed Cox:** It is a good point. You are absolutely right. We have found, in our research, that counties do feel they have been rushed to the starting line, as Lord Heseltine put it, for 4 September and then systematically left behind in the negotiation process in the run up to the spending review, which was the ostensible reason for having a 4 September deadline in the first place. One of the arguments counties have made in particular is that where they are neighbouring metropolitan areas it is logical and legitimate to say that if you devolve powers to them at the same pace as the cities, they would be able to play into that. To give you an example, Cheshire and Warrington, with

the Manchester and Liverpool deals taking place around them, say that it would be very good if they could have a few powers on the same timetable as Liverpool and Manchester. There is a strong argument for that.

The problem is really around capacity and the way in which central Government have decided to go about the deal-making process: i.e., as I have mentioned before, lots and lots of bilateral conversations with individual Government Departments, with CLG trying to hold the ring and, ultimately, Treasury being a backstop. If we had got together properly resourced, cross-departmental teams to negotiate, with proper authority to be able to strike deals, the process would have been a lot smoother.

**Lord Kerslake:** Ed is right to say this imbalance between the city regions and areas outside them is going to be a real challenge. I support the city regional model, but it will create tensions if we do not think about the areas that do not fit. It will not be good enough to say, "You do not fit." There has to be an answer to that question, which is why I say devolution cannot just stop at cities; it has to include the whole country. I absolutely get the point that it may not happen in the first year, but it has to happen in the second, it seems to me, as part of the deal.

**Q182 Mary Robinson:** Councillor Jeffrey, you were speaking about the way you are going to work with the mayor in this collegiate model that you foresee will take place. I am just wondering, in terms of the mayor, what sort of enhanced accountability or responsibility that person will have.

**Councillor Jeffrey:** You will have to excuse me that I do not know the full detail of what is devolved to the mayor and what is devolved to the combined authority, because they are different, but it is the exercise of the powers that I am most concerned about. For example, there is something in our devolution deal called a "mayoral development corporation", but that does not mean to say that the mayor is going to have total responsibility for the development corporation. It is going to be democratically controlled by us working together. That is the issue in all of this. The practice of whom the power is devolved to is, I hope, going to be different to the way that we exercise those powers when they come into our sub-region. It is going to be a lot about the culture of the sub-region and how we want to do our business.

In the Tees Valley, we very much come from the perspective that we have worked in partnership with both the private sector and local government for a long time successfully. We will bring this new partner structure into play and that will be part of what we do and will help us do it better, hopefully. That is the ambition, it is probably fair to say, but as to how these things roll out, we do not know who is going to be elected the mayor, which could make a very big difference to it. A lot of this is up for grabs.

**Q183 Chair:** Back to the point of confusion that was raised at the beginning by Jo, everyone on the panel today is very optimistic about the idea that the public is going to understand this. Many of our constituents do not really understand what we do as Members of Parliament, what councillors do or where our responsibilities are. You are going to have a deal here where some powers are going to be devolved to a mayor by themselves, and some to the combined authority of which the mayor is a part. The combined authority also may have a veto in certain circumstances over what the mayor does. The public are going to see one person elected as a figurehead and think they do everything. Is there not a possibility of some friction and confusion—just the public not understanding and blaming the wrong person when things go wrong or expecting them to do things that they do not have the power to do?

**Lord Kerlake:** The short answer is, yes, there is that possibility and, indeed, it has happened and will no doubt happen again in London. Would you say that London is better governed by having a directly elected mayor? I think unarguably it is, so to some extent the price you pay by having more devolution and a directly elected mayor is a lack of absolute clarity on who does what. That is going to be a price, but I still think it is a hell of a lot better than the centralist model we have now. Let us face it, do the public really understand the balance between what central Government do and what local government does?

**Ed Cox:** That does a huge disservice to the general public. We have demonstrated in a number of surveys, where we have worked to look at how far they understand where power lies, that the general public have a very shrewd understanding of exactly where power lies. They do not necessarily know the precise dynamics, but they are able to follow when power moves from central to local, from local to neighbourhood and so on. They are very aware of that and to suggest that the public are somehow ignorant of how power structures might realign with a mayor is completely wrong. Those who want to will definitely find out and those who do not will have a great sense of that.

**Councillor Jeffrey:** The fact that it is messy is helpful.

**Chair:** Is that because you keep the mayor under control, as the leader?

**Councillor Jeffrey:** It enables us to make this work for us in the best possible way. We do not need too many straight lines in this process. We need some wiggly ones, because that will help us going forward.

The other thing that I would say to you is that we have just lost 10,000 jobs out of our economy. We need to take whatever is available to us to enable us to do something about that and to act quickly on it. I am not saying that devolution is the solution to that, but I think the public would, quite rightly, tell us that we were not doing our jobs properly if we were not to take what little is available through this devolution offer, because that is the bigger picture that we are trying to address in all of this: the growth of our economy and the recovery.

**Q184 Julian Knight:** Lord Kerlake, in a comment piece for the *Local Government Chronicle* you wrote that “comparatively few detailed discussions” about governance and scrutiny have been had and “the risks attached to not having these discussions are significant. The perception could develop that decision-making is in the hands of a small local elite, remote from the local people. This would work against the whole principle of devolution.” Bearing those comments in mind—I wonder if the panel could come in on this—are overview and scrutiny committees a robust enough model for combined authorities in both the short and the long term?

**Lord Kerlake:** They can be, but what we have argued as the Centre for Public Scrutiny is that each area, each combined authority, should develop a clear governance framework that is mutually agreed across the key partners. That should address explicitly the issues of how overview and scrutiny will work, how those who are not councillors can contribute to that debate, and how this will be reviewed and refreshed over time. You would not set out a single model of how it should be done, but you would require the local leadership to consciously address the issue, agree between them how it is going to work and, indeed, hold with that model and agree changes only through the overview and scrutiny committee.

You could do this very simply, in fact, through an amendment to the 2009 Act, which empowered the creation of combined authorities, and I think it would be the right balance between an over-prescriptive

model, which we do not want, and having nothing, which really does leave risks for the future. The problem is that all structures and governance models tend to get governed by which ones work, but more often the ones that do not work. I feel quite strongly that we need to put something in, almost to safeguard the whole exercise, that will force individual areas to think consciously about it. The best will do it anyway, as Sue has talked about. I worry about the places that do not think this is important and the problems that will flow from that.

**Ed Cox:** I feel it is a sad indictment of the level of conversation about local democracy that all our concerns and energies have been focused on the directly elected mayor issue and not on wider issues of local democracy. Overview and scrutiny, which are, interestingly, mandated by the Bill whereas directly elected mayors are not, have not been the topic of conversation at all and yet there are some great ideas around how you enhance that. I would love to see, for example, second chambers in all of our combined authority areas, made up of business, made up of voluntary and community sector and citizens' panels—those kinds of things.

**Q185 Julian Knight:** Would they be appointed by the elected mayor?

**Ed Cox:** Again, we need to be creative as to how we go about doing them, but one thing, for example, that the Chancellor has put forward is the idea that if we want business rate supplements, they have to be voted on by business. Well, that opens a huge conversation about exactly how businesses do that, because certainly the businesses that I speak to do not believe the local enterprise partnerships are representative in that way.

My main point is that the devolution process has opened up a democratic space for some very creative and interesting conversations about how we take local democracy forward. For example, can we, as part of a deal, devolve certain electoral arrangements so that combined authorities or local authorities within combined authorities could do votes at 16, have all-out elections or move to proportional representation, which has been so successful in Scotland? There are some of the many things that we could do if we were to open up this space. Picking up on one of Lord Kerslake's earlier comments, how do we ensure double devolution down to neighbourhoods and down to communities and individuals?

The debate really has only just started and we have become caught up in a single aspect of local democracy, which is metro mayors,

when in fact overview and scrutiny and all these other things I have mentioned are huge possibilities. That is where the conversation needs to go.

**Councillor Jeffrey:** Local government has considerable experience of doing overview and scrutiny and does it well. What makes overview and scrutiny work is resources. It has to be properly resourced. The thing that concerns me about the combined authorities is the level of resource that is going to be available to them to do jobs like overview and scrutiny going forward. If it is going to be expected to do it on a shoestring, it is going to make that very difficult. But the models are there. We have the practice; we know what works in relation to overview and scrutiny. It is about getting the resources in place to ensure that we are able to use them effectively at the combined authority level.

To be honest, resources generally is not an issue we have talked about at all here: resources for combined authorities to be able to run effectively, to do their jobs effectively and to support all the various governance functions within that, because it will not be done on the cheap. Particularly if you are going to talk about the distance that a combined authority is away from people and the double devolution thing, that itself is going to require investment, and of course local authorities are currently in the situation where they are losing money hand over fist, so being able to resource all that is going to be quite difficult. There has to be a commitment from central Government as well as local government to be able to make sure that happens.

**Ed Cox:** It will not be done on the cheap, but it will be a damn sight cheaper than the London Mayor and all his arrangements.

**Q186 Julian Knight:** Do you both have concerns as well about the capacity to implement scrutiny correctly from a resources perspective?

**Lord Kerslake:** There are going to be some very difficult judgments made. I hope that, notwithstanding the pressures that Sue rightly talked about, investment is put under proper scrutiny, because it is part and parcel of effective decision making. Those of you who live in Sheffield will know there have been some interesting debates about changes to the bus services. You might argue that that would have benefited from more overview and scrutiny. The Chair will know what I am talking about.

**Chair:** Yes, this might benefit from the powers in the devolution proposals, which give regulatory powers to the local authority as well. Sorry, we are diverging.

**Ed Cox:** The capacity issue in relation to devolution is absolutely right to be of great concern to us, because it is clear to me that the combined authorities do not have the capacity. We are talking here about overview and scrutiny, but it is also true of public service reform and it is true of economic development as well. The question is: is the capacity in the system? The answer is, yes, it is, but it is all located in Whitehall.

I would argue that part of the problem we have at the moment is that we are devolving administrative decision making. We are devolving a little bit of funding, but, let us be clear, fiscal devolution has barely even started, as this Committee has reported itself. What we are not doing enough of is also devolving the capacity out of London to combined authorities to be able to make the best of the arrangements we are coming up with. That is another big area where we need to give a lot more thought.

**Q187 Julian Knight:** When you say “capacity”, do you mean civil servants?

**Ed Cox:** Yes, absolutely, civil servants. If you take Transport for the North, there is a very important model there, which is where the Department for Transport have seconded staff out to work with the transport authorities in the north of England in a very effective way, which has joined things up and enabled that whole process to move forward. Why not do something similar with, dare I say it, Select Committees and the overview and scrutiny process in combined authorities or around public service reform? It is happening a little bit with the Department of Health in Greater Manchester, but that is the kind of model we have to move much further towards.

**Q188 Julian Knight:** Lord Kerslake, it would be remiss of me, as a midlands MP, not to ask you, in light of the construct of the west midlands combined authority, whether or not the bringing together of the councils within my area of the west midlands has effectively allowed Birmingham City Council to slightly sidestep the recommendations of significant reform that you put forward in your report. I just wonder what your thoughts are on that process.

**Lord Kerslake:** Gosh, that is an interesting question at this point. It would take a longer answer than I have time here to give, but



I do believe that the report is being implemented and taken forward within Birmingham, and I do not believe that the very important debates about the combined authority have got in the way of that or confused that. In fact, the first recommendation of our report was to make clear the importance of moving ahead on the combined authority. The other recommendations, from what I pick up, are being taken forward and a key part of what was set up there is an independent review panel that is challenging and holding Birmingham to account for how much progress is being made. I do not think one has cut across the other; I think both are moving forward.

**Q189 Julian Knight:** Do you think, though, now that the west midlands combined authority agreement has been signed, that Birmingham Council itself can fully look at implementing the reforms that you have recommended?

**Lord Kerlake:** I do not think it has been waiting for that; I suppose that is what I am saying here. I think it has been moving ahead on the issues. In fact, you could argue that the very fact the agreement has been signed is a signal of some of the changes that have been made, because one of the key issues that was getting in the way of collaboration was the feeling that Birmingham was very much wanting to dominate. The fact that it has moved away from that approach is part of what has allowed this agreement to happen, so it is making progress on all the fronts of my report.

**Q190 Julian Knight:** Finally, when it comes to, for example, my hon. Friend the Member for Sutton Coalfield's proposal that Birmingham Council should be split up into 10 parts, as I believe it was talking about, that now is off of the agenda for the moment, do you think?

**Lord Kerlake:** That is down to Government, of course, and I am not able to test that view myself, but I would say that we did not recommend that. We did not think it was the right way forward for Birmingham. We put forward a set of recommendations that we thought would give the benefits of a big economic area in Birmingham but also tackle some of the key issues that had developed over time, which were not—and it is important to say this—all connected to its size. They were connected to a lot of other things.

**Chair:** Thank you very much indeed for coming and giving evidence to us this afternoon.

## Examination of Witnesses

*Witnesses:* **Sir Edward Lister**, Deputy Mayor of London, Policy and Planning, **Darren Johnson**, Chair, Devolution Working Group, London Assembly, and **John O'Brien**, Chief Executive, London Councils, gave evidence.

**Q191 Chair:** Good afternoon and thank you all for coming to give evidence this afternoon. For the sake of our records, could you say who you are and the organisation you are representing this afternoon?

**Darren Johnson:** I am Darren Johnson, Chair of the Devolution Working Group at the London Assembly.

**Sir Edward Lister:** I am Edward Lister. I am the Mayor's Chief of Staff. I am also the Deputy Mayor for Planning.

**John O'Brien:** I am John O'Brien, the Chief Executive of London Councils. We are the representative body for the London boroughs.

**Q192 Bob Blackman:** The Secretary of State and the Bill have both made clear that it does not refer to London. How concerned are you that London is being left behind?

**Darren Johnson:** We are not panicking about this, because generally the Bill is about giving other cities the opportunity to catch up with London. There are very few powers in any of this that London does not have already. Obviously, we want some more powers and we want conversations and negotiations with Government over those, but I do not think we are feeling left behind over this particular Bill. That is not to say that we do not want some serious negotiations with Government over things like fiscal devolution, rail devolution, the skills agenda and so on.

**Bob Blackman:** We will come on to that in a few minutes.

**Sir Edward Lister:** I am not really concerned at all. Rather like Darren, I think the Bill is about giving other authorities similar powers to London and that is to be welcomed. It has been a little lonely in this space and it is quite nice to see some of this going elsewhere, because London runs the risk of being seen as being treated in a special way, different to other parts of the country, and we are losing sight of the very real benefits we get from the current system.

In answer to the point about whether we are after other powers, yes, we are, and we are in negotiation over those anyway with

Oral evidence: The Government's Cities and Local Government Devolution Bill, HC

Government. We are in negotiation over skills, health and changes to the planning regime, which is within the housing Bill. We are constantly in negotiation with the Department for Transport over rail franchises and other things. These things are all ongoing at the moment and we do not see that as a problem.

**John O'Brien:** I broadly agree with what Darren and Ed have both said, but it has not stopped us, jointly with the Mayor, putting in a submission on 4 September along with 37 other areas. It has not stopped us having a series of discussions with Government officials about health, skills and employment support, as Ed has said. We are making progress on all of those. There is not going to be a big bang further London deal, but there is an important piece of public service reform there that we are making some progress on.

The only thing I would say, which is perhaps a concern for the future, is that the London governance system clearly is different from the type of structure that is being introduced in some of those other deals you were talking about a few moments ago. We are going to need to find a route in London for devolution and delegations that work for groupings of authorities, which is part of the proposition we have jointly developed with the Mayor, and also to find some expression for how public service reform is governed across London between the Mayor and borough leaders.

**Q193 Bob Blackman:** We are going to come on to some more detailed questions, but do you think the powers you are looking for require a further Act of Parliament?

**Sir Edward Lister:** From a City Hall point of view, no.

**Q194 Bob Blackman:** Speaking as someone who has piloted through now five TfL Bills in the last Parliament, which give very limited powers to TfL, it appears that, every time TfL wants to do something, more legislation is required.

**Sir Edward Lister:** If you want to go that way, yes, there are always more things that we want, but I do not think they are going to be picked up by a general Bill. They are very specific items, which are always going to be specific and require their own legislation to see them through. For example, we are very keen on changes to the fire brigade structure in London. We are very hopeful that that is going to be in the policing Bill and some of the changes there, so there are bits and pieces of things that are in other Bills or they are very specific

pieces of legislation, like the TfL legislation that you put through last Monday.

**Bob Blackman:** That is to revive it. It has only taken five years to get to this point.

**Sir Edward Lister:** I am equally certain that we will have dreamt up something else we want for TfL before the year is out, but there is nothing in the stocks at the moment.

**Darren Johnson:** Some of this depends on timescale. There is low-hanging fruit, like getting the skills programmes devolved to London and so on, that does not require legislation. There is longer term stuff on things like fiscal devolution. We are already seeing the business rate devolution coming forward. We are still keen, across party, across City Hall, to see stamp duty and council tax setting come directly to City Hall, so there is more that we want. It just depends on what timeframe. In terms of low-hanging fruit, for some of it there is no legislation at all required. It is just a matter of negotiating with Government.

**Q195 Bob Blackman:** Let us move on. London has a population of 8.4 million, potentially rising to 11 million. Is it too big for such devolution? Is it a victim of its own success, given the huge demand there is for services?

**John O'Brien:** Size is an issue, quite clearly. We are much bigger than these other urban conurbations where deals are being done at the current time, so the proposition that London has advanced jointly between the Mayor and the boroughs talks about there needing to be different footprints. Clearly, there are further things that would be devolved and reformed at a pan-London level. Skills commissioning is going to work formally at a pan-London level, but informed by the intelligence that comes from groupings of boroughs and sub-regional economies. Employment support—getting people furthest from the labour market back into work—probably is going to be for sub-regional groupings of boroughs. The health propositions that we have been working on jointly operate at all of those different spatial levels. London has to recognise that complexity—there is no way out of it—and needs to adapt the way it manages that in that context. That is just the fact of the matter.

**Sir Edward Lister:** I was just going to add that 8.6 million is the current number.

**Bob Blackman:** It goes up every minute.

**Sir Edward Lister:** Yes, it will be north of that now. It is worth reflecting on the fact that London was 8.6 million back in 1939, under the LCC, and managed as an entity quite successfully in the 1930s, so we are almost back to where we started. Various things have denuded London of its population over the last 50 years, which has all come back again. We are where we are, but it is growing at that rate, just shy of 100,000 people a year, and that does mean that a lot is needed in London, in infrastructure and other things, if we are going to sustain that level of growth.

This is where the mayoralty really comes into its own, because, without a very strong Mayor, you are never going to be able to get the kind of infrastructure improvements London needs to sustain this level of growth, let alone housing. It is in every sector. Not all of those are the responsibility of the Mayor; some of them are not even the responsibility of Government. They are things like the energy companies, electricity, gas, water. All of these are big issues and that is why London needs a strong central focus for somebody to talk about all this.

**Darren Johnson:** I do not dispute anything that John was saying about the need for sub-regional working, borough partnerships and so on, but, in terms of whether London is too big or not, let us just look at the track record over the last 15 years. It has been a phenomenal success, whether you agree with everything that Ken Livingstone or Boris Johnson have done individually. I took issue with a range of what they have both done, but overall we could not possibly have successfully bid and run the Olympics in the way that London did, got Crossrail off the ground, got the London Overground network established, and got the tube upgrades after years and years of neglect, without London-wide governance. It has been a phenomenal success in terms of delivery, so we should not ignore that in terms of London's ask for more powers going forward.

**John O'Brien:** For absolute clarity, the proposition definitely talks about all three levels and there is a recognition of the importance of that pan-London level. Picking up Ed's point, clearly the level of growth in London does demand a sustainable model for investing to support that growth in terms of physical growth and hard infrastructure, but also soft infrastructure—things like school places which, as you know, is a huge issue in London. It also requires reforming public services in a way that will make them fit for the purpose of the challenge we face around health and care integration, so it is going to operate at all of those levels.

**Q196 Mr Prisk:** Is the issue here not really the boundaries of the boroughs but fostering a genuinely collaborative leadership? You have talked about layers and structures, but place-making and the need for a holistic approach to the delivery of services is, frankly, what I suspect many of the public want. Would you say that that is where the emphasis should be, rather than trying to work out whose administrative boundary lies where?

**John O'Brien:** You are already seeing quite a degree of permeability working across London between boroughs. Within their own places, I think they take the view that, as you have said, this is about how we reform public services regardless of who is responsible for them. The big challenge is about preventing people going into hospital, leading more independent lives, getting people skilled and getting those furthest from the labour market into work. That requires working right across a range of public services. Some of those do not stop at borough boundaries, hence the point that we do see increasingly groupings of boroughs working together and collectively with City Hall to make sure those outcomes are secured. That is the focus of where modern local borough leadership is, both individually and in groupings.

**Q197 Helen Hayes:** Can I ask your views on fiscal devolution? Do you think it is necessary now to tackle the challenges that London faces?

**Sir Edward Lister:** Absolutely. For us, it is very simple. We have land in London that we can bring forward for housing. Approximately 400,000 homes can be built on brownfield land in London. That brownfield land has sat there through each property boom and has never been developed. It has not been developed for one of three reasons: diverse land ownerships that have prevented it, which is obviously a solvable problem; contamination of one kind or another; or, the most likely one, connectivity—you just cannot get there in a sensible way. If we are going to continue to grow at the rate we are growing and if we are going to build the housing that we need in London—and it is about commercial property as well; we need another 500,000 jobs in London by 2025 and they need to homes to exist in—we cannot do any of that unless we put in the infrastructure.

That is the bit that we desperately need money for and the bit that we need to be able to borrow and have certainty about. If we have certainty of funding, we can sort these things out, but when we are operating on penny packets of money from Government and in relatively short timelines, we can never assemble the kind of cash that

we are going to need in order to grow the city. My argument is all about fiscal devolution for capital, not for revenue purposes. It would be totally wrong to borrow just to be able to keep services rolling. One has to reorganise the services to live with whatever the constraints are at the time, but, for capital works, that is where we are so desperate for the fiscal devolution and that is where the business rate is so very exciting as a prospect for that, as indeed are other potential tax revenue sources.

**Darren Johnson:** In welcoming groups of delegations from overseas cities, they are always absolutely amazed that the Mayor of London has to go to central Government to bid for funding for any individual transport project or other investment project. Even with the package of proposals that was put together by Professor Travers for the London Finance Commission, it would only change the amount that central Government controls down from 93% to 88% of the money collected in London, so we are still talking fairly modest measures. It will have a big impact on London, but we do not think it is going to massively upset the applecart in terms of Government finance. They are still going to control the huge bulk of taxes that are collected in London, but it will give us more of the freedom to invest in the way that Sir Edward was talking about.

**John O'Brien:** We did work very closely with City Hall on the Finance Commission. We were very supportive of those conclusions, so I agree that the answer is yes. It clearly raises issues about how you do that in detail and how you govern it in detail, which was part of the conversation we had at the back end of the Finance Commission and, indeed, was explored by the predecessor of this Committee in the last Parliament. There is detail to work through, particularly in the context of the Chancellor's announcement about business rates, but, in broad terms, yes.

**Q198 Helen Hayes:** You have touched on the announcement on business rates. What difference do you think that is going to make?

**John O'Brien:** It is very significant. There is a very large amount of additional responsibility that would flow to London, when you think about what potentially the excess of business rate yield in London might be that would need to be soaked up by those responsibilities. The split between the boroughs and the Mayor that has existed since 2012 on business rates will clearly need to be revisited as part of what those additional responsibilities will be. In the context of the Finance Commission, we recognised each other's interdependence around that and I think we would come back and have that conversation again.

There are also some quite big issues about the relationship in terms of equalisation with the rest of the country, and how much that is a national system and how much it is based as a regional system.

The last thing is that we are very supportive of it. However, our members are mindful of the fact that this will have to become a tax that is capable of fulfilling purposes as has not always been the case in the past. There are issues about predictability; appeals, which is clearly going to be important if we are thinking about adult and children social care and the degree it is funding that; buoyancy, given the population changes that we have already referred to; and, of particular importance for London, the growth in business activity and value—not just physical growth, which has been an issue for London and will be going forward.

**Sir Edward Lister:** In the mix we have at the moment, some of City Hall's funding is done by business rates—about £800 million a year of TfL's transport grant is done by business rates. We still have close to £1 billion that comes directly from the Department for Transport. Just switching that money from a Department for Transport grant to a business rate contribution, I know, does not sound as though it gives us a big gain, but it does, because it gives us certainty of the funding. Therefore, it helps us go forward in planning terms: every time we look at any big infrastructure project we are looking over very long time horizons.

On Crossrail 2, we are not looking for completion until 2028. If we start doing things like extending the Bakerloo line, we would not even start it until 2030, but you have to start doing the work now to meet those kinds of timelines, so we are incurring massive amounts of cost preparing for the future. That is the right thing to do and I am not saying it is wrong for us to do that. I am just saying that if we knew that money was there, it would just make life easier.

**Darren Johnson:** The assembly, across parties, has been very supportive of the whole fiscal devolution agenda, including the retention of business rates. The only thing that I would add is to ensure that, with any new financial arrangements, there are sufficient checks and balances in place. Just as we have a potential assembly veto over the budget setting, strategies and so on for any new financial arrangements, we would expect that same check and balance to apply in terms of votes at City Hall.



**Q199 Kevin Hollinrake:** Sir Edward, you mentioned fiscal devolution for capital projects. One of our previous witnesses regretted that there was no devolution of borrowing power. Would that be something you would agree with?

**Sir Edward Lister:** We do have some borrowing powers ourselves at City Hall, and, indeed, through TfL we also have borrowing powers. About £3 billion I think is the limit on TfL. I am saying that from memory, so I stand to be corrected. We do have fairly substantial borrowing powers. From a city-wide point of view, it is not a big issue to us, but, if we are to move forward on some of these big schemes, it would obviously make a lot of sense if we could go for and raise much bigger sums of money. Therefore, that would result in greater borrowing.

**Darren Johnson:** I accept the point earlier that you want to use these new powers not to just rack up extra debt in terms of revenue expenditure but for new capital projects, particularly for council house building in London. Around half the boroughs in London are now actively engaged in doing some form of building new social housing, often for the first time in decades, but we are talking very small numbers at the moment, because they are hampered massively by the borrowing cap on local authorities. Across most of the EU, Governments make a sensible distinction between local government borrowing for general expenditure and local government borrowing for housing investment, where you have a tangible asset, a guaranteed income that is realisable for many years to come and so on. We should be giving far more flexibility to local authorities to do that, particularly in London where the housing crisis is so severe.

**Q200 Kevin Hollinrake:** I want to talk for a second about sub-regional devolution. The South London Partnership, for example, is looking at this. Is London just too large? Is it going to get too complex? Is there not a risk of that within those kinds of proposals?

**John O'Brien:** As I was saying earlier on, the overall proposition has hung together with leadership from the Mayor and borough leaders collectively. It is a London proposition. Within that, it envelops the fact that some pieces of reform and devolution need to happen at a smaller scale. Some of the proposals around health or getting people back into work clearly are going to operate at a lower geographical scale than the whole of pan-London, and some of them will happen locally.

The arrangements that are coming into place, with groupings of authorities coming together for those purposes, do cover a very

significant swathe of London now, and at least four pretty well-developed partnerships are bringing forward propositions as part of that overall London proposition. Yes, it is messier and more complex than smaller, more compact urban areas, but that does reflect the reality of London and it is held together by joint work at the pan-London level by the Mayor and borough leaders.

**Sir Edward Lister:** Health is an interesting one. I would suggest we are possibly even further ahead than Manchester on this at the moment, because we have had a number of years of working together. We have had the London Health Commission, which went through all of our thinking about it. We have a five-year plan. We have annual reviews on this. We have the London Health Board, which is chaired by the Mayor and meets on a regular basis. What will evolve from that will be probably more sub-regional by nature, because it is going to be around the clusters of hospitals, so it will inevitably be more of a sub-regional structure. It is coming together pretty well at the moment and it is working. We are quite comfortable about that. We are quite comfortable about having regional, sub-regional and local.

**Darren Johnson:** In terms of the health agenda, that very much reflects the evidence that we received when we conducted our own investigation through the assembly's working group. There is a strong public health role for the Mayor. He already has statutory powers for public health, but does not have the budget to back those up, so we believe public health budgets being devolved down to London would definitely work at the London-wide level far more effectively than at the borough or the sub-regional level. However, in terms of acute and primary care, absolutely we think London is probably far too big to deliver that effectively and that would need to be done on a sub-regional basis, unlike Manchester, which is smaller and could potentially do it on a regional basis.

**Q201 Kevin Hollinrake:** In terms of surrounding areas, South East England Councils has said that this "must not target cities at the expense of releasing potential in the highly profitable south-east". How would you respond to that?

**Sir Edward Lister:** We work very closely with our neighbouring authorities. We do not have the same legislation as they do, in the sense that they have a duty to co-operate; we have a duty to consult in the GLA Act. Sorry, I know we are splitting hairs here, but it is ever so slightly different. But we do meet on a regular basis and we are constantly having those meetings with our neighbouring authorities, because inevitably, at the moment, we are not seeing the outflows of

people to the surrounding counties that used to be there. For various reasons, there is not the same movement today, but that could change tomorrow and they have their own pressures on housing numbers, infrastructure and everything else, so we do have this dialogue. We are steadily trying to turn it into a more formal structure, so we have a better structure to deal with it. It is getting sorted out one way and another, and we are fairly comfortable and I think our neighbours are fairly comfortable with that.

**John O'Brien:** We too have those dealings with areas around London, both as part of the structures that Ed has described and also bilaterally as well. In terms of some of these discussions about reform, they do take account of the surrounding area. Area-based reviews of further education, which the Mayor will lead across London but borough leaders will lead in individual sub-regions, will have to take account around the edges of London of the relationship with those who are outside of the London boundaries, because the movement of learners and the economy of local colleges will not follow exactly the boundaries of London.

Indeed, in the health proposition we have been discussing, there is a clear recognition of the importance of London's health service to people outside of the boundaries, but also of the health system nationally and the importance of London to that. There has to be some recognition of that as part of our work.

**Darren Johnson:** That is also true for the transport agenda and if more rail franchises come under the control of TfL. Generally, Transport for London is careful about bidding for those lines that are generally serving Greater London. We do not want to expand the empire across the whole of the south-east of England. However, you cannot naturally stop all railways operating just at the boundary, so there will need to be some enhanced cross-border issues around TfL. We have suggested on the assembly that formal partnerships be established for those areas that are going outside of the Greater London Authority area with the neighbouring authorities, so that there can be some form of transport partnership if we have more rail devolution.

**Q202 Kevin Hollinrake:** You have a very high profile Mayor, who always wants to represent the interests of London. Obviously, some areas' interests are aligned to your economic development, but they will have their own economic development opportunities. Do they not feel

sometimes that they are not fully explored because they do not have someone to represent them as much as you have in London?

**Sir Edward Lister:** It is true that having such a strong voice for London going out there and selling London, which is what we have with the Mayor and his ability to really get into places that—excuse me saying so—other local authority leaders cannot get into, because of the 8.6 million, because of the 23% GDP and all the other factors that come into play, does mean we can get in there. But we do not do things to the detriment of our neighbouring authorities. Yes, of course, for economic growth, if we can attract a firm to move their operations to London from overseas, we will do it, but, if that is not going to work, we are equally happy for it to turn up somewhere in the south-east. Of course, what usually happens is that the head office could well end up in London but the rest of the operation will be somewhere else outside London. That is absolutely fine and we are very relaxed about that.

The trick for us is to use the Mayor to push those doors open where only the mayor can do it and where having an ambassador like that works, and that has been true with both the current Mayor and his predecessor.

**Q203 Bob Blackman:** We have discussed the powers of the Mayor and the role the Mayor fulfils. Often it is not the powers that are given to him in the Bill or the legislation; it is the influence that is utilised. Is that what is really driving the achievements in London or is more devolution required?

**John O'Brien:** It is unquestionably the case that devolution and reform is not done in London. The challenges we have, whether they are about the challenge of growth and how we support it or the challenge of reform to make public services sustainable and affordable in a time of austerity, are going to require further reform. Some of that is about devolution, in the way that we have described. Having the Mayor, whoever he has been, has been an advantage and an asset in the way that Ed has described, with that convening power and the visibility of it. Indeed, we in London local government have felt the benefit of that in some of the causes that we have taken up and we have worked closely with both Mayors to bring that to benefit.

That is going to require, going forward, an adaptation to some degree, as we make that reform go further, to make sure that the interdependence of both tiers of London government are reflected in that, because, as I say, it will not be quite the same system. Manchester, Sheffield and the west midlands will not have a system that is identical to the London system.

**Q204 Bob Blackman:** Is it a lesson for the Manchester model and for others that, if you have a big personality who can use his or her clout to the maximum possible, all this devolution stuff is fine, but that is what matters because they are going to drive it through?

**John O'Brien:** You need both. Mayors, by their nature, are going to need to be big personalities who convene and lead a place and provide shape to that place, but that will not be enough. There have to be the keys to further reform and further devolution if we are going to face the challenge that we have.

**Darren Johnson:** I could not help thinking, in the earlier session, that there was some wishful thinking about how a Mayor would behave and how they would interact with borough leaders and so on once they were elected. Once you have an individual who is elected, who comes in with their own agenda and the electorate vote in someone with a very powerful mandate, the dynamic changes altogether. Whatever is written down on the agreement in paper as part of the deal could really change once you have a real live person in office who has made some genuine pledges to the electorate and been voted in on those.

It changes the dynamic enormously, which is why the scrutiny arrangements are crucial in this. That is having not just sufficient resources so that the scrutiny body—in London's case, the assembly—can properly scrutinise the Mayor and do some real forward thinking in terms of agenda setting as well, but also some formal checks and balances. The assembly started off very weak in terms of formal checks and balances on the Mayor. It was mainly conceived as a scrutiny body. But, over time, as new powers have come to London—and the assembly's power is a reserve power; it requires a two-thirds majority—more and more mayoral decisions are now requiring the assembly's support before they go ahead, so it is a check and balance.

**Q205 Bob Blackman:** Could you just talk us through that? The predecessor of this Committee gave a report and I am not sure how much of that was implemented, but obviously there were recommendations made. Has that changed the scrutiny model?

**Darren Johnson:** Not since the last time we spoke, but with the Localism Act 2011 in particular, more of the decisions that were in the gift of the Mayor that had been devolved from central Government now require an assembly vote, and could be either reversed or amended via a two-thirds majority. Initially, that applied only to the budget, when the GLA Act first came into force in 2000, but over time there are more

checks and balances with it, which I think is right, particularly if we are going down the route where more and more fiscal powers are coming from central Government. Having the checks and balances is absolutely crucial so that it is not just one person who has total control, as it were.

Another key point is that the assembly has genuinely added value to the governance of London through robust scrutiny—and comparatively well-resourced scrutiny, compared with the boroughs. I am reminded of a comment when Lord Coe came to the assembly after the Olympics. He said that, during the years running up to it, the assembly drove him absolutely mad with our robust scrutiny, difficult questions and so on, but it was always with the intention of getting the best possible Olympics. He thanked us for the hard time that collectively we gave him, because he said that that led to better decision making and a better outcome. It helped put the pressure on—having a very high profile body like the assembly, which can get on the evening news, asking these awkward questions.

**Q206 Bob Blackman:** Do you think, then, that this model should be replicated in other devolution deals in some shape or form?

**Darren Johnson:** I do not think there is one single blueprint for every part of the country, but I worry greatly that the scrutiny arrangements for the other parts of the country at the moment do not appear robust enough. They rely too much on borough leaders scrutinising the Mayor in the cabinet, which is not going to be the sort of open and transparent scrutiny that the assembly works in. The scrutiny pools seem particularly under-resourced and not particularly thought through and focused, so there need to be much more robust scrutiny arrangements if devolution is to be a success in other parts of the country and other cities.

**Q207 Bob Blackman:** Eddie, you have been on the receiving end of the scrutiny. How has that improved your work and that of the Mayor?

**Sir Edward Lister:** For any of us who are on the end of scrutiny, it always sharpens one up and you do make sure you are not leaving any loose ends for somebody to unearth, so, yes, it is always important that one does this. I am totally supportive of it. It does work, as far as the mayoralty is concerned. It does make us think very carefully about the budgets as we put them through, because there we do need one third of the assembly to support the Mayor. Any strategic policies—they are named in the Act—also require one third of the assembly to

support them. Yes, I suppose one can always not have a strategic policy or not renew it too often or whatever to avoid that, but it does not work that way, because it is still exposed and we still have to answer for it, so I think it works pretty well.

Equally, though, I would say that we have close working relationships with the boroughs. We are meeting, on a very regular basis, all the leaders—the executive and the leaders of the London boroughs—so we have that dialogue going the other way. That is not so much scrutiny; that is more, I suppose, about negotiation, but the two bits work together.

**Q208 Bob Blackman:** John, before you make your comment on this, from London Councils' perspective, how frustrated are you about not being able to scrutinise the Mayor in public in the way that the assembly does, for example?

**John O'Brien:** I do not detect a huge amount of frustration for this reason: borough leaders are part of the executive leadership of London government alongside the Mayor. They are very responsible for their places and also, to some degree, collectively for the work they do in London and with the Mayor. I do not think they are, in that sense, thirsting to do Darren's job as the scrutineer.

**Darren Johnson:** We have very constructive dialogue with London Councils as well. On most of our committees, we will want to hear a local government angle. We are not formally scrutinising the councils or telling them what to do, but it is absolutely vital for our work that we hear the impact of housing policy on individual boroughs, and that we hear a London council's point of view. That dialogue, which obviously happens on a day-to-day basis with the Mayor, is also carried through with the assembly, because we want to hear from the London boroughs. We want to hear from both individual boroughs and London Councils about the effect of mayoral policies on their boroughs and about the impact of key problems coming up in London.

**John O'Brien:** There is just one thing I should add to the evidence you were hearing before about combined authorities and borough leaders working with new, directly elected mayors. There clearly is an issue there about how the Mayor of London and borough leaders work together on some of that executive leadership. As Ed says, we do that pretty constructively through various mechanisms that we have: the Congress of Leaders and the executive of the Mayor. There may come a point, as this evolves and there is further reform and further devolution, particularly in some of the areas we have been

speaking about, where that is going to need some more formal expression. That is not to change the 2000 structure in a fundamental way, but it may need some evolution to be able to respect some of that joint decision making.

**Q209 David Mackintosh:** Do you think that the London Mayor has been a success because of the unique size and the profile of the city?

**Darren Johnson:** I think it is both. London has been big enough as a political entity to really make an impact. There are economies of scale on a strategic level. That is why, a few years ago, other cities that were being consulted through the referendum on the directly elected mayor model overwhelmingly, apart from Bristol and Liverpool, all said no, because it did not seem to be adding much to the picture just bolting on a directly elected mayor. Having one for Greater London as a whole means that there are the economies of scale to lever in investment, negotiate with Government and to co-ordinate. Sometimes things are unpopular. Would we have had the congestion charge coming in without a Mayor who was prepared to take on opponents and deal with the tabloid hysteria and so on at the time? Would we have had the low emission zone and those sorts of things? Sometimes it does require quite a bit of bravery as well as the strategic co-ordination and the economies of scale.

**Q210 David Mackintosh:** Do you think the governance is perhaps a bit too complex?

**Darren Johnson:** No, I do not think it is complex, certainly when you compare it with some of the arrangements that are now being discussed as part of the devolution Bill, where people do not have coterminous boundaries for their police and crime commissioners with their combined authorities and the confusing set of arrangements. London could possibly end up as one of the most simple and straightforward, because we have the 32 boroughs of the city and we have a strategic London-wide government in the form of the Mayor and the assembly. Within that, there will be sub-regional arrangements, but I do not think anyone is looking at formal combined authorities or anything like that, because two tiers seems sensible in spite of there being a need for sub-regional working on some things.

**Sir Edward Lister:** I have watched this from two positions. I was a borough leader for many years when Ken Livingstone was Mayor and I have worked for Boris Johnson as his chief of staff for the past five years. When I was a borough leader, I must admit I always felt there must be a better way of doing things. I was not that keen on the



mayorality. Having now changed position, as I now work for the Mayor, rather like Darren said I just do not think you could have got some of the things through without having a London-wide Mayor who is less susceptible to smaller pressure groups, who can make much tougher decisions, which you have to make, on a London-wide basis and who can override people a little more than a borough can.

To be blunt with you, I think it works. I have seen the way in which it has brought in resources to London. I have seen the way in which we have been able to operate things like the police and Transport for London, and some of the things we have done on pensions and other areas. All these things just would not have been possible without having a very strong—and I do stress very strong—central figure who is able to make tough decisions, and sometimes unpopular decisions, but with the scale of London, they are less of an issue. It does work.

**Q211 David Mackintosh:** We have talked a bit about scrutiny arrangements, but do you think that London's scrutiny arrangements are sufficient to be able to cope with additional devolved powers?

**Sir Edward Lister:** I personally think they are. It is very important that whatever devolved powers the Mayor has, with them goes the scrutiny power to the assembly for that to be followed through. May I give an example? One of the devolutions we are very keen on at the moment is on the fire service. We have a statutory body in London that manages the fire service. It has representatives from the boroughs, representatives from the assembly and directly appointed representatives of the Mayor on it. It is quite bureaucratic and regularly takes a view that is different from that of the Mayor. The Mayor then spends quite a bit of time issuing mayoral directions to tell them to do what he wanted them to do in the first place, so we have a long legal process. Forget about the whys and wherefores; it just does not work very well.

We think that you should get rid of those kinds of bodies, which do cost money, and leave that power with the Mayor. The assembly should then scrutinise the decisions, whatever those decisions are, and say whether they think they are right or wrong—or whatever their view may be. Those are the sorts of changes that we would like to see. In many ways, we want to see the assembly doing more scrutiny, but we also want to see them stepping back from some other areas of activity.

**Darren Johnson:** There is some tidying up that needs to be done. It was a recommendation from your Committee that the fire authority be scrapped and given to the Mayor with clearer scrutiny from

the assembly. I am pleased to say we went away and reflected on what you recommended, and there was all-party agreement in the end that, as long as there are robust scrutiny procedures in place, that will be a better model.

There are other areas where it would be helpful to enhance the assembly's role as the Mayor gets more powers devolved. We think it is an anomaly that local government has call-in powers and a scrutiny function, but that we do not over mayoral decisions. I know that when this Committee looked at the governance of London, you recommended that that anomaly be corrected, which we very much welcomed. At the moment, all the mayoral strategies are subject to veto by the assembly apart from the police and crime strategy, which we do not think makes sense, so we think that the potential veto power, which is only a check and balance, but an important one, should be rolled out as well.

As the Mayor takes on new functions, gets more and more powers, and will be delegating more and more decisions to people other than him or herself, we believe that mayoral appointments become ever more important. Although we have confirmation hearings for deputy mayors and key appointments, we believe that the assembly should have the power to reject those appointments as a check and balance on mayoral decision making, as more and more things are delegated. Again, you could only reject with a two-thirds majority as a simple check and balance. I must say, in the 15 years of City Hall, we have only, so far, recommended that the Mayor does not proceed with one of his appointments and that appointee resigned from the job after two months, finding that he had taken too much on. We have not used it as a political bludgeon, and I think it would be a useful power to extend to the assembly.

I have one other point. As a Select Committee, you have the power to summon witnesses not just from Government, but from a range of institutions that affect the area of business that your Committee covers. We think that the assembly should have its own formal powers to summon witnesses extended to other public agencies that affect the life and outcomes of policies and so on in London. At the moment, we can only invite guests out of the City Hall family. We cannot summon someone and we think that should change in terms of other public bodies in London.

**John O'Brien:** I just have one point. It is obviously important to bear in mind in this that, both in terms of the devolution proposition that London has advanced and thinking about the sort of powers that London sought through the London Finance Commission, that is going

to be devolution to the Mayor and also, in some cases, to boroughs. The London Finance Commission spoke about devolution of taxes to London government. Clearly, we have scrutiny arrangements in the boroughs, which go alongside the way in which the Mayor is held to account by the assembly.

I do not think, in any of the propositions that we have, there is anything that is going to fundamentally change the need for those two spheres to exist, but clearly, as that picture evolves and changes, I would accept the proposition that one needs to look creatively at scrutiny as well. In terms of what we have and what we have asked for, boroughs' scrutiny arrangements for holding their own leaders to account for the way they play their part in public services in London, and Darren and his colleagues holding the Mayor to account, is probably the model that continues to obtain.

**Q212 Bob Blackman:** John, different London councils are talking about coming together and co-operating. What scrutiny arrangements are being negotiated for those particular partnerships?

**John O'Brien:** It is still primarily, at the moment, through individual scrutiny arrangements in boroughs and scrutinising the outcomes. Clearly, they will be interested in the sort of things that they are combining on, whether that is health, job outcomes or skills and the like. There is some experimentation with joint arrangements and joint discussions about how that will happen, and I could imagine that will evolve further. London boroughs have been quite innovative in this space in the past, but I do not think it has gone beyond those conversations so far.

**Chair:** Thank you all very much for coming to give evidence to us this afternoon.